

**NEW JERSEY ASSET & REBATE
MANAGEMENT PROGRAM**

**THIRD AMENDED AND RESTATED SHARED SERVICES
INVESTMENT AGREEMENT**

By and Among

THE PARTICIPATING LOCAL GOVERNMENTAL UNITS

and

PFM ASSET MANAGEMENT LLC

and

U.S. BANK NATIONAL ASSOCIATION

Dated as of: June 25, 2014

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**NEW JERSEY ASSET & REBATE
MANAGEMENT PROGRAM**

**THIRD AMENDED AND RESTATED
SHARED SERVICES INVESTMENT AGREEMENT**

This THIRD AMENDED AND RESTATED SHARED SERVICES INVESTMENT AGREEMENT (hereinafter, the " Amended Agreement") is dated as of June 25, 2014 and is made by and among the Local Government parties now or hereafter signatory and deemed signatory hereto (collectively, the "Participants"), PFM Asset Management LLC and U.S. Bank National Association. The above-referenced parties shall hereinafter be referred to as the "Parties".

WITNESSETH :

WHEREAS, the Participants are Local Governments in the State of New Jersey who are authorized to enter into this Agreement pursuant to the Uniform Shared Services and Consolidation Act (N.J. Stat. Ann. 40A:65-1 et seq.), to obtain jointly and individually professional management of investments for excess cash and for the temporary investment of proceeds of tax-exempt and taxable bonds; and

WHEREAS, certain provisions of the Internal Revenue Code of 1986, as amended, have imposed restrictions, limitations and requirements on the investment of the proceeds of tax exempt obligations by local governmental units ("Local Governments") generally; and

WHEREAS, such provisions impose on Local Governments the requirement that certain investment earnings on the proceeds of such tax exempt obligations be rebated to the Federal government; and

WHEREAS, the Arbitrage Rebate Regulations (the "Regulations") dealing with such investments provide, inter alia, that State and locality investment pools may be advantageous in assuring compliance with such rebate obligation; and

WHEREAS, the Participants have agreed to create the New Jersey Asset & Rebate Management Program (the "Program") in order to establish and maintain an investment pool (the "Joint Account") for the joint benefit of the Participants for the investment and reinvestment of the proceeds of tax-exempt and taxable bonds and excess cash and such other common funds as subsequently may be offered under the Program, and to provide also for the individual investment of such proceeds and excess cash outside of the Joint Account (the "Individual Portfolios"), if advantageous or necessary; and

WHEREAS, the Participants intend and the other parties acknowledge that the Joint Account qualifies as a "local government investment pool" as defined by the Local Fiscal Affairs Law (N.J. Stat. Ann. 40A:5-15.1(e)(2)); and

WHEREAS, since it is beneficial for the Participants to arrange for the joint investment of the funds referenced herein, it is proposed that the beneficial interest in the Program's Joint Account be divided into units of beneficial interest as hereinafter provided; and

WHEREAS, the Parties have also determined that it is beneficial in certain circumstances for the proceeds of tax exempt and taxable bonds and excess cash to be invested in Individual Portfolios and such other investment accounts as may be made available to Participants by the Program in accordance with applicable law; and

WHEREAS, the Participants recognize that in undertaking the investment of funds in accordance with the Local Fiscal Affairs Law, they benefit from skilled professional investment management and administration of the Joint Account of the Program, Individual Portfolios and such other investment accounts as may be offered by the Program, including the investment in certificates of deposit on a shared-services basis under applicable law or Individual Portfolio basis to the extent permitted under applicable law; and

WHEREAS, the Participants individually and jointly have designated PFM Asset Management LLC as the Investment Administrator of the Program under this Agreement to invest the assets deposited by the Participants and to administer the Program in accordance with this Agreement; and

WHEREAS, the Participants individually and jointly wish to designate U.S. Bank National Association as the Custodian of the assets deposited by the Participants in the Program and the interest earned thereon; and

WHEREAS, the Parties by this Agreement intend further to amend and restate the Second Amended and Restated Interlocal Services Investment Agreement dated as of October 1, 2009, and to continue the Program for the mutual benefit of the Participants;

NOW, THEREFORE, the Participants hereby declare their intention to be and remain Participants of the Program for the joint investment, and the individual investment as regards any particular Participant, of all Investment Funds (as defined herein) deposited with the Program and the same shall be managed and disposed of in accordance with the provisions of this Third Amended and Restated Agreement:

ARTICLE I

General

1.1. Purpose. This Agreement is entered into by the Participants in order to reaffirm the Program, consistent with the requirements of the Shared Services Act and the Local Fiscal Affairs Law. The Program has been created for the purpose of providing to Local Governments that become Participants an investment option for funds on hand, including where applicable operating funds, cash balances, reserve funds, the proceeds of taxable and tax-exempt bonds; rebate calculation pursuant to the Code; and advice in connection with the discharge of their legal obligation to invest their capital funds obtained through the issuance of tax-exempt debt and to rebate to the Federal government certain investment earnings.

1.2. Approval of Agreement. Each Local Government desiring to be a Participant in the Program shall be deemed a signatory to and to have approved this Agreement upon adoption or enactment of an ordinance or a resolution, as appropriate, of the governing body of such Local Government, or such other appropriate document or certificate of an Authorized Officer of such Local Government authorized to approve such document, approving the deposit of the cash of such Local Government, including the proceeds of debt obligations, in the Program and delivery of such resolution, certified by the appropriate official of such Local Government, or such certificate, if appropriate, to the Investment Administrator.

1.3. Definitions. Terms listed below in the singular form shall include the plural and words listed in the plural shall include the singular. Whenever the context may require, any pronoun that is used in this Agreement shall include the corresponding masculine, feminine and neuter. Unless otherwise noted, the words "include," "includes" and "including" when used in this Agreement shall be deemed to be followed by the phrase "without limitation". The words "agree," "agreements," "approval" and "consent" when used in this Agreement shall be deemed to be followed by the phrase "which shall not be unreasonably withheld or unduly delayed," except or unless the context may otherwise specify. All references to Sections, Articles or Exhibits shall refer to Sections, Articles or Exhibits in this Agreement unless otherwise specified. In addition to the terms elsewhere defined in this Agreement, the following terms shall have the following meanings:

"Agreement" shall mean this Third Amended and Restated Shared Services Investment Agreement as amended from time to time. References in this Agreement to "Contract", "hereof", "hereto" and "hereunder" shall be deemed to refer to this Agreement rather than the Article or section in which such words appear.

"Auditor" shall mean Ernst & Young LLP, Philadelphia, Pennsylvania, so long as it is the incumbent of the position of Auditor under Article VIII of this Agreement, and its successors appointed under Section 8.2 of this Agreement.

"Authorized Officer" shall mean for each Participant the chief financial officer of the Participant or such other officer designated in writing by the governing body of such Participant.

"Beneficial Account" shall mean an account maintained under the direction of the Investment Administrator which records a Participant's interest in funds invested by such Participant in the Program in any of the Joint Account, an Individual Portfolio, or other investment vehicle.

"Bonds" shall mean bonds, notes or other obligations authorized for any Local Government under any of the laws of the State.

"Business Day" shall mean a day on which (1) both the Federal Reserve Bank of New York and the Custodian are open for business, and (2) the primary trading markets for the Program's portfolio instruments are open and the Program's management believes there is adequate market to meet purchase and redemption requests. Additionally, the Program is authorized not to open for trading on a day that is otherwise a Business Day if the Securities Industry and Financial Markets Association ("SIFMA") recommends that the primary trading markets close. The Program may also close early on a Business Day if the SIFMA recommends that primary trading markets close early. In light of anticipated limited availability for money market securities and fixed income settlement capacity limitations on the Good Friday holiday, the Program will not be open for business on Good Friday even if the primary trading markets are open. Specifically, on Good Friday, no Federal Reserve wire settlement will occur, purchases and redemptions will not be accepted and no settlement will occur for the Program.

"Cash Management Agent" shall mean a bank selected by the Investment Administrator to provide the services of receiving and disbursing cash from and to Participants and the Custodian and upon Proper Instructions to pay the expenses of the Program, to receive cash amounts due to the Program and to provide for temporary investment of cash held by the Program, all as may be agreed between such bank and the Investment Administrator on behalf of the Program.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Custodian" shall mean U.S. Bank National Association, so long as it is the incumbent of the position of Custodian under Article V of this Agreement, and its successors appointed under Section 5.14 of this Agreement.

"Deposit Procedures" shall mean the procedures for transmitting Investment Funds for investment in the Joint Account or an Individual Portfolio as described in the Program's then current Information Statement.

"Disbursement Account or Accounts" shall mean the accounts maintained by the Custodian pursuant to Section 5.7 hereof.

"Fair Market Value" shall mean the fair market value for investments as defined in Federal Treas. Reg. §1.148-5(d)(6).

"Individual Portfolio" shall mean, as of any particular time, the assets held by the Custodian for the separate investments made by the Investment Administrator on behalf of a Participant in accordance with Section 2.2(c) of this Agreement. The assets of an Individual Portfolio, which may include NJ TERM investments, shall constitute a separate investment and shall not be deemed to constitute property of the Joint Account.

"Individual Portfolio Agreement" shall mean the agreement executed by and between a Participant and the Investment Administrator prior to the establishment of an Individual Portfolio.

"Information Statement" shall mean the currently effective document describing the Program, as updated from time to time and distributed to all current and prospective Participants.

"Investment Administrator" shall mean PFM Asset Management LLC, so long as it is the incumbent of the position of Investment Administrator under Article II of this Agreement and its successors appointed under Section 2.9 of this Agreement.

"Investment Funds" shall mean immediately available funds received by the Custodian, in accordance with the procedures described in the Program's Information Statement, for investment in the Joint Account or Individual Portfolio of the Program.

"Investment Guidelines" shall mean the guidelines and restrictions set forth in Exhibit A attached hereto, which shall be deemed to be revised from time to time to take into account changes in applicable law that either restrict or add to the authorized investments for Local Governments as may be described in the Program's then current Information Statement.

"Joint Account" shall mean that portion of the Program, the assets of which are held by the Custodian for the joint investment with all Participants in accordance with this Agreement and the Investment Guidelines as relates to the Joint Account.

"Local Fiscal Affairs Law" shall mean the Local Fiscal Affairs Law, N.J.S.A. 40A:5-1 et seq. as revised or amended from time to time or as otherwise replaced and superseded.

"Local Government" shall mean a New Jersey municipality, county, school district or a regional authority or district other than an interstate authority or district.

"NJ TERM" shall mean investments lawful for purchase by Local Governments, selected by the Investment Administrator to provide subscribing Participants with fixed-rate, fixed-term income in an Individual Portfolio as described in the Program's then current Information Statement.

"1940 Act" refers to the Investment Company Act of 1940 and the regulations promulgated thereunder, as amended.

"Participants" shall mean as of any particular time the Local Governments that are holders of record of outstanding Units in the Joint Account or that have assets in an Individual Portfolio.

"Person" shall mean and include individuals, corporations, partnerships, pools,

associations, joint ventures and other entities, whether or not legal entities, and governments and agencies and political subdivisions thereof.

"Portfolio Value" shall mean with respect to an Individual Portfolio, the Fair Market Value of the securities held therein, as determined by the Investment Administrator, on the Record Date.

"Proper Instructions" shall mean written (including telecopier, electronic, or other similar means deemed to be reliable by the Investment Administrator) or telephone instructions from a Person or Persons reasonably believed by the recipient to be a Person or Persons authorized to give the particular class of instructions. As used in this Agreement, when not otherwise specified, "Proper Instructions" refers to instructions given by the Investment Administrator.

"Record Date" shall mean the date established by the Custodian from time to time for purposes of establishing the voting interests of the Participants based on the number of Units and the Portfolio Value held at such time.

"Registration Form" shall mean the Account Registration Form as described in the Information Statement and attached as an exhibit thereto, which is required to be executed by the Participant prior to entry into the Program.

"Regulations" shall mean the Arbitrage Rebate Regulations set forth in the Internal Revenue Service Regulations, Section 1.148-0 through 1.148-11 and 1.150-1 through 1.150-2, as revised or amended from time to time or as otherwise replaced and superseded.

"Securities" shall mean bonds, debentures, notes, evidences of indebtedness and other securities or investments in accordance with the Local Fiscal Affairs Law (N.J. Stat. Ann. 40A:5-15.1), and also deposits in accordance with the Local Fiscal Affairs Law, specifically (N.J. Stat. Ann. 40A:5-14).

"Shared Services Act" shall mean the Uniform Shared Services and Consolidation Act, N.J.S.A. 40A:65-1 et seq.

"Special Counsel" shall mean McManimon, Scotland & Baumann, L.L.C., Roseland, New Jersey so long as it is the incumbent of the position of Special Counsel under Section 8.1 of this Agreement and its successors appointed pursuant to Section 8.1 of this Agreement.

"State" shall mean the State of New Jersey.

"Unit" shall mean a share of beneficial interest in the Joint Account; the number of Units held by a Participant (including fractional Units) at any time shall equal the amount credited to that Participant's Beneficial Account in the Joint Account divided by \$1.00.

"Yield" shall have the same meaning ascribed to such term in the applicable provisions of the Code and in the Regulations where used in connection with Bonds and the investment of the proceeds thereof.

1.4. Duration. Subject to earlier termination in accordance with the provisions of Section 9.4, the duration of this Agreement and the Program shall expire on December 31, 2024.

1.5. Registered Office. The Registered Office of the Program in New Jersey is 821 Alexander Road, Suite 110, Princeton, New Jersey 08540 or such other office in New Jersey as designated by the Investment Administrator in a notice to the Auditor, Custodian, Participants and Special Counsel. The Investment Administrator is the Registered Agent for service of process in New Jersey.

ARTICLE II

Investment Administrator

2.1. Designation of Investment Administrator. Except as otherwise provided in this Agreement or by nonwaivable provisions of applicable law, the powers of the Program shall be exercised by or under the authority of, and the business and affairs of the Program shall be administered by PFM Asset Management LLC as Investment Administrator. The Participants in the Program have designated PFM Asset Management LLC to serve as Investment Administrator because of its experience in the professional services of advising and administering pooled funds and individual investments of local governments. By its execution of this Agreement, PFM Asset Management LLC accepts the designation as Investment Administrator and agrees to serve as Investment Administrator of the Program in accordance with this Agreement.

2.2. Investment Administrator's Authority. a) Subject to the provisions of this Agreement, the Investment Administrator shall have exclusive management of the investment and reinvestment of the assets of the Program, and each Participant hereby agrees to accept the purchases, sales or exchanges of Securities effected by the Investment Administrator in accordance with the terms and provisions of this Agreement. Each Participant shall evidence its consent to investment in the Joint Account through the completion of the applicable Registration Form as provided by the Investment Administrator. Each Participant which wishes to invest in an Individual Portfolio shall likewise evidence its consent through the execution of an Individual Portfolio Agreement with the Investment Administrator.

b) If Proper Instructions have not been received from a Participant for cash held in the Program for the benefit of the Participant, the Investment Administrator is authorized and directed to credit the cash to the Joint Account (as opposed to any Individual Portfolio held by the Participant) and invest it accordingly.

c) The Investment Administrator is authorized, with the written consent of the affected Participant, to invest a portion of the Participant's Bond proceeds or other funds in

investments in an Individual Portfolio, which may include, with the authorization of the Participant, NJ TERM investments. Unless otherwise instructed by the Participant all moneys not disbursed to or for the account of the Participant as of the maturity date of each such investment in an Individual Portfolio shall be applied to the purchase, for the account of the Participant, of Units in the Joint Account on such date. The assets of an Individual Portfolio shall be held by the Custodian for the exclusive benefit of the Participant except to the extent that any underlying documents to which the relevant Participant is a party require such assets to be held by some other Person, in which case such assets may be held by such Person. Notwithstanding, the preceding sentence, the Investment Administrator, to the extent permitted by applicable law and the Investment Guidelines, may, with the consent of the relevant Participants, arrange for the purchase, deposit with the Custodian, and the holding to maturity (or earlier redemption) of certificates of deposit, for the joint and collective benefit of such Participants acting to the extent so authorized by the Shared Services Act.

2.3. Responsibilities of the Investment Administrator. (a) The Investment Administrator shall select investments for the Investment Funds deposited in the Program by Participants and all income earned thereon.

(b) In general, in selecting such investments the Investment Administrator will:

- (i) Assist the Participants in developing accurate drawdown schedules to be used for the development of an efficient investment program for the Participant;
- (ii) Coordinate with the Custodian as to funds availability and direct the Custodian and the Cash Management Agent, if any, as to payment or non-payment of instruments drawn on Participants' accounts;
- (iii) Coordinate with the Custodian the maintenance of ongoing records of investments, investment return and earnings by the Joint Account and the Individual Portfolios;
- (iv) Conduct an investment program in accordance with arbitrage rebate requirements as interpreted by Special Counsel and, if required, complete periodic preparation of arbitrage rebate calculations and reports in accordance with the Regulations;
- (v) Invest and reinvest the assets of the Joint Account and Individual Portfolios;
- (vi) Arrange for delivery to the Custodian of all Securities and collateral and prepare and process all receipts, order confirmations and records needed for bookkeeping, accounting, auditing and reporting;

(vii) Calculate daily the net income of the Joint Account payable to Participants and the net asset value of the Units all in accordance with this Agreement and the Information Statement;

(viii) Prepare market valuations of all assets of the Program;

(ix) Provide to each Participant confirmation of each purchase and redemption of Units by such Participant; and

(x) Prepare and provide to each Participant monthly reports of the Participant's transactions in the Joint Account, including (a) Units purchased, issued by way of dividends, and redeemed; (b) income earned; and (c) total Units owned.

(c) The Investment Administrator shall provide to Participants with assets in an Individual Portfolio monthly reports respecting their respective investments including: (i) securities purchased and sold, (ii) securities held, (iii) the purchase date of each investment, (iv) the purchase price, (v) any accrued interest paid, (vi) the face amount, (vii) the coupon rate, (viii) the periodicity of its interest payments, (ix) the disposition price of each Security sold or redeemed, (x) disposition date, (xi) interest received, and (xii) where applicable, investment yield.

(d) The Investment Administrator shall also maintain, but not provide in the monthly reports to the Participants, (i) the information establishing that the purchase price of each Security is its Fair Market Value; and (ii) information establishing that the disposition price of each Security was its Fair Market Value.

(e) In its discretion, the Investment Administrator may enter into a cash management agreement with a Cash Management Agent pursuant to which the Cash Management Agent (i) will receive for deposit Investment Funds and such amounts as the Investment Administrator shall direct the Custodian to transfer to the Cash Management Agent and such other receipts as the Investment Administrator may direct and (ii) will pay such amounts to the Custodian and to such other Persons (including the Investment Administrator) as the Investment Administrator may direct.

(f) The records of the Program shall be open to inspection by Participants during the Program's regular business hours.

2.4. Investments. The Investment Administrator is authorized, subject to the Investment Guidelines, to: (a) conduct, operate and carry on the business of the Program; and (b) subscribe for, invest in, reinvest in, purchase or otherwise acquire, hold, pledge, sell, assign, transfer, exchange, distribute or otherwise deal in or dispose of such Securities as are legal investments for Local Governments under the laws of the State in effect from time to time, and to exercise any and all rights of ownership in respect of any and all such investments of every kind and description, including, without limitation, the right to consent and otherwise act with respect thereto, with power to designate one or more Persons to exercise any of said rights.

2.5. Method of Investment. The Investment Administrator shall provide for the purchase, sale, or exchange of Securities for the Joint Account and the Individual Portfolios with registered brokers or dealers, and to that end the Investment Administrator is authorized to give instructions to the Custodian or Cash Management Agent, as applicable, as to deliveries of Securities and payments of cash. The Investment Administrator is directed to obtain for the Program the most favorable execution and price which at the time is reasonably available, which price shall be the Fair Market Value. After fulfilling this primary requirement of seeking the most favorable execution and price, the Investment Administrator is hereby authorized to consider, subject to any applicable laws, rules and regulations, whether statistical, research and other information or services have been furnished to the Investment Administrator or the Program by such brokers or dealers.

2.6. Collection and Payment. The Investment Administrator, for and on behalf of the Program, shall collect all property due to the Program and its Participants; cause the Program to pay all claims, including taxes, if any, against the Program's assets; to prosecute, defend, compromise or abandon any claims relating to the Program's assets; to foreclose any security interest securing any obligations by virtue of which any funds are owed to the Program; and to enter into releases, agreements and other instruments.

2.7. Liability. The Investment Administrator shall not be liable to the Participants for the results of its investment program unless and to the extent that the results reflect a breach of its duties under this Agreement, bad faith or gross negligence. The federal securities laws impose obligations, in certain circumstances on persons, like the Investment Administrator who are required to act in good faith. Nothing herein shall in any way constitute a waiver or limitation of any rights under which the Program or any Participant may have under the federal securities law.

2.8. Resignation, Termination and Successors. The Investment Administrator may resign its position under this Agreement, on not less than 60 days' written notice to all the other Parties to this Agreement. Upon the giving of such notice, the Investment Administrator shall cooperate with the Custodian for the purpose of continuing or otherwise winding up the affairs of the Joint Account and the Individual Portfolios in accordance with Section 9.4 of this Agreement. The Investment Administrator may also, at any time, upon the affirmative vote of Participants holding, as of the record date, two-thirds of the aggregate number of Units and Portfolio Value invested in the Program (with each dollar of Portfolio Value being equal to one Unit for the purposes of this calculation), be terminated on not less than 60 days' notice by the

Custodian to the Investment Administrator and all Participants of record at the time of such notice. A successor Investment Administrator may be appointed by the affirmative vote of the Participants holding two-thirds of the aggregate number of Units and Portfolio Value invested in the Program (with each dollar of Portfolio Value being equal to one Unit for the purposes of this calculation) outstanding as of the record date. If the Participants fail to appoint a successor Investment Administrator within 60 days after notice of such resignation or termination, the Program shall be terminated and the assets of the Joint Account shall be liquidated by the Custodian and distributed to the Participants in proportion to their interest.

2.9. Program Expenses and Fees. (a) The Investment Administrator shall be paid a fee (the "Daily Fee"), calculated as referenced below, from which the Investment Administrator shall draw its own compensation for investing and administering the Joint Account and all other aspects of the Program (exclusive of fees payable by a Participant in respect of investments in an Individual Portfolio for the benefit of such Participant). The Investment Administrator will cause to be paid all of the fees and costs of the Custodian, Auditor, and Special Counsel, brokerage costs, and other similar expenses in respect of the Joint Account, from the Daily Fee. Except as otherwise provided in this Agreement, all of the costs of the Joint Account shall be paid by the Investment Administrator out of the Daily Fee and shall not be deducted from the assets of the Joint Account. The Daily Fee, calculated as a percentage of the value of the average annualized net assets of the Joint Account, shall accrue on a daily basis and shall be paid to the Investment Administrator from the assets of the Joint Account monthly in arrears. The method of calculating the Daily Fee shall be set forth in the Information Statement, under the heading, "Expenses of the Program." The overall expenses of the Joint Account cannot be determined in advance, except as a percentage, which may be revised from time to time in the sole determination of the Investment Administrator, of the value of the net assets held by the Joint Account. The Information Statement in effect from time to time shall contain current information as to the fees payable to the Investment Administrator for its services and the other expenses of the Joint Account comprised in the Daily Fee. In calculating the income of the Joint Account each day, the Investment Administrator shall deduct the applicable Daily Fee. The Parties acknowledge that the Participants may, pursuant to the terms of this Agreement, withdraw funds from the Joint Account or terminate their participation herein at any time in their absolute discretion.

(b) In addition to the amounts payable pursuant to subsection (a) of this Section, if any Participant shall engage the Investment Administrator to provide investments outside of the Joint Account in an Individual Portfolio, the Investment Administrator and such Participant, upon mutual execution of an Investment Portfolio Agreement, shall agree upon the terms and method of calculation and payment of the fee payable to the Investment Administrator on account of such Individual Portfolio. The Investment Administrator will cause to be paid all of the fees and costs of the Custodian, Auditor, and Special Counsel, brokerage costs, and other similar expenses, from such fee for managing such Individual Portfolio. Such costs, expenses and fees are not obligations of the Joint Account. A Participant may, pursuant to the terms of this Agreement, withdraw amounts from an Individual Portfolio or terminate participation therein at any time in its absolute discretion, subject to any market losses or early redemption penalty as may be described in the Information Statement.

2.10. Information Statement. The Investment Administrator shall have a duty to update the Information Statement and to provide copies thereof, in either paper or electronic form, all then current Participants on or before the effective date of such Information Statement.

2.11 Shared Services Agreement. It is not the intention of this Agreement to create with the Participants a general partnership, limited partnership, joint stock association, corporation, bailment or any form of legal relationship other than a shared services agreement in which a Participant holds the beneficial interests conferred by its Units in the Joint Account, its interests in certificates of deposit to the extent allowed by State law to be purchased by a shared-services entity, or its interest in the assets of its Individual Portfolio. Nothing in this Agreement shall be construed to make the Participants partners or members of a joint stock association.

ARTICLE III

Limitations of Liability of Participants and Others

3.1. No Personal Liability of Participants. No Participant shall be subject to any liability whatsoever to any Person in connection with the Program or the acts, obligations or affairs of the Program. No officer, employee or agent of any Participant shall be subject to any personal liability to any Person in connection with the Program, save only that arising from his bad faith, willful misfeasance, gross negligence or reckless disregard of his duty to such Person. Wherever reasonably practicable, every written obligation made or issued by the Program shall contain an appropriate recital to the effect that the Participants, and their officers, employees and agents shall not personally be bound by or liable thereunder, nor shall resort be had to their private property for the satisfaction of any obligation or claim thereunder.

3.2. No Liability of Program. The Parties recognize that the assets held by the Program for investment including the assets of the Individual Portfolios may be derived from the proceeds of debt obligations of Local Governments that by law may be expended only for the respective purposes for which such obligations were issued. Therefore, the Parties agree that, except as otherwise expressly provided in this Agreement in connection with redemptions and the investment and reinvestment of assets of the Program and the payment therefrom of the fees and expenses of the Investment Administrator, the Custodian, Special Counsel, and the Auditor and other similar expenses, assets held by the Program for investment are subject to requisition or disbursement only at the direction of the Participants.

3.3. Liability to Third Parties; No Partnership Authority. Neither a Participant nor the Investment Administrator shall be liable for the debts, obligations or liabilities of the Program of any kind, including under a judgment decree or order of a court, or for the acts or omissions of any other Participant, other Investment Administrator or agent or employee of any other Investment Administrator. No Participant shall be deemed the agent, representative or partner of any other Participant for any purpose, nor shall any Participant have any authority to bind, or hold itself out as having any authority to bind, any other Participant to any obligation.

ARTICLE IV

Units of Beneficial Interest in the Joint Account

4.1. Conditions of Participation. Any Local Government which desires to become a Participant in the Program shall (i) adopt and deliver to the Investment Administrator a certified copy of a resolution or ordinance of the governing body of such Local Government in compliance with the participation procedures as set forth in the Information Statement, and (ii) deliver to the Investment Administrator an executed Registration Form as set forth in the Information Statement. The Investment Administrator shall advise a Local Government whether the Local Government has satisfied the participation procedures and, upon such satisfaction, the Local Government shall be entitled to make deposits in the Program.

4.2. Deposits to the Program. (a) Each Participant shall have the right from time to time to deliver Investment Funds in any amount subject to the Regulations to the Custodian or Cash Management Agent, if any, for credit to the applicable Beneficial Account of such Participant. A Participant that wishes to make such a deposit shall give notice to the Investment Administrator, stating whether such deposit is to be invested in the Joint Account or an Individual Portfolio, and otherwise follow the participation procedures set forth in the Information Statement.

(b) The designated Beneficial Account of a Participant shall be increased upon the delivery of the Investment Funds by an amount equal to the amount of such funds deposited in accordance with the participation procedures set forth in the Information Statement and by the amount of any net income earned on the funds deposited by the Participant less applicable expenses paid or accrued in respect of such account; the Beneficial Account of a Participant shall be decreased by amounts paid to or for the account of the Participant by the Program.

(c) Not later than 4:00 p.m. on any Business Day during which the Custodian or Cash Management Agent, if any, has received Investment Funds from a Participant, the Custodian or Cash Management Agent shall advise the Investment Administrator of the receipt of such Funds. The Investment Administrator shall transmit to such Participant the Investment Administrator's confirmation evidencing the receipt of such Investment Funds.

4.3. Beneficial Interest. The interest of the Participants in the assets invested in the Joint Account shall be divided into Units of beneficial interest in such classes or series as may be designated by the Investment Administrator to reflect the investments therein and the terms of the investment, all as shall be described in the Information Statement. The number of such Units of beneficial interest authorized hereunder is unlimited. All Units issued hereunder including, without limitation, Units issued in connection with a dividend in Units or a split of Units, shall be fully paid and nonassessable.

4.4. Rights of Participants. The ownership of all assets of the Joint Account is vested in the Program for the joint benefit of all Participants in such Joint Account. No individual Participant shall have any interest therein other than the beneficial interest conferred by its Units,

and it shall have no right to call for any partition or division of any property, profits, rights or interests of the Joint Account nor can it be called upon to share or assume directly any losses of the Joint Account, except to the extent of such Participant's beneficial interest in the value of any asset of the Joint Account, or suffer an assessment of any kind by virtue of its ownership of Units. The Units shall not entitle the holder to preference, preemptive, appraisal, conversion or exchange rights.

4.5 Issuance of Units. The Program may from time to time issue Units in the Joint Account, in consideration of the deposit of Investment Funds, at a rate of one Unit for each \$1.00 of Investment Funds, and by way of distribution of income to Participants as set forth in Section 7.2 hereof. In connection with any issuance of Units, the Program may issue fractional Units (rounded to the nearest one-hundredth of a Unit). The Program may from time to time divide or combine the Units of the Joint Account into a greater or lesser number without thereby changing the proportionate beneficial interests of Participants in the Joint Account. Reductions in the number of outstanding Units of the Joint Account may be made pursuant to Section 7.3. Deposits to the Joint Account may be accepted for, and shall be redeemed as, whole Units and 1/100ths of a Unit or multiples thereof.

4.6 Standards of Performance for Joint Account. The Investment Administrator expects to produce an average net investment yield for the Joint Account which is not less than 90% of the published average net investment yield for all taxable money market funds as compiled by iMoneyNet over a calendar quarterly period (the "Measurable Standard of Performance" within the contemplation of Section 7a(2) of the Shared Services Act). In the event that the average net investment yield on the Joint Account for any calendar quarter is less than the foregoing yield, the Investment Administrator will rebate to the Joint Account, out of the Daily Fee (but in no event exceeding the Daily Fee) during the next three successive months, an amount, in the aggregate, which, when added to the investment yield of the Joint Account for the preceding calendar quarter, would, to the extent possible, increase the average net investment yield of the Joint Account for such preceding quarter to an amount which would result in a yield that is equal to the Measurable Standard of Performance.

4.7. Information Statement. Units in the Joint Account shall be described to Participants and prospective Participants by means of a current Information Statement which shall be prepared and supplemented, if necessary, by the Investment Administrator and shall be reviewed and approved by Special Counsel.

4.8. Register of Units; No Certificates. The Investment Administrator shall maintain a register of the names and addresses of the Participants and the number of Units held by them respectively. Such register shall be conclusive as to who are the holders of the Units of beneficial interest in the Joint Account and who shall be entitled to receive dividends or distributions or otherwise to exercise or enjoy the rights of Participants. No certificates will be issued for the Units. A copy of such register kept current at all times shall be made available to the Custodian which shall be entitled to rely thereon.

4.9. Transfer of Units. Units in the Joint Account shall be non-transferable except in connection with a redemption permitted by Article VI.

4.10. Notices. Any and all notices to which any Participant hereunder may be entitled and any and all communications shall be deemed duly served or given if given in accordance with the provisions of Section 9.2.

ARTICLE V

Custodian

5.1. Appointment and Duties of Custodian. The Participants, individually and jointly hereby appoint U.S. Bank National Association as Custodian of the Joint Account and for the Individual Portfolios, all upon such basis of compensation as may be agreed upon between the Investment Administrator and the Custodian:

- (1) to receive and hold the Securities owned by the Program and deliver the same upon Proper Instructions;
- (2) to act upon Proper Instructions to effect the receipt, transfer or delivery of the Program's assets;
- (3) to receive and receipt for any moneys due to the Program;
- (4) pay over such funds upon Proper Instructions; and
- (5) to conduct and manage any voting procedures affecting any Participant.

5.2. Credit of Joint Account. The Custodian will collect from time to time the principal payments, sale proceeds, dividends and interest on all Securities and cash held by it to the credit of the Joint Account and will credit the same to the Joint Account.

5.3. Credit of Individual Portfolios. The Custodian will collect from time to time the principal payments, sale proceeds, dividends and interest on all Securities and cash held by it to the credit of an Individual Portfolio and will credit the same to the appropriate Individual Portfolio.

5.4. Payment of Certain Moneys by and to Custodian. The Custodian is authorized to advance or pay out of the appropriate accounts accrued interest on Securities purchased and dividends on Securities sold and like items as directed by the Investment Administrator. Any dividends or interest payments intended for the Program shall be payable to the Custodian. The Custodian will give appropriate orders to the issuers of the Securities to pay dividends and interest to the Custodian.

5.5. Disbursements. (a) The Custodian is hereby authorized and directed upon Proper Instructions to pay cash from funds applicable to the Joint Account from time to time to the Cash Management Agent, if any, or directly for any of the following purposes:

(1) to pay the Daily Fee to the Investment Administrator and compensation and expenses of other service providers as specified by the Investment Administrator, in accordance with this Agreement;

(2) to transfer funds to the Participants, in accordance with this Agreement;

(3) to pay taxes, if any;

(4) to pay for the purchase of Securities purchased for the Joint Account by the Investment Administrator; and

(5) to pay the redemption price of Units redeemed from the Joint Account.

(b) The Custodian is hereby authorized and directed to disburse cash from an Individual Portfolio from time to time as follows:

(1) for the purpose of completing the purchase of Securities for the Individual Portfolio, upon receipt of (i) Proper Instructions from the Investment Administrator specifying the Securities and stating the purchase price, and the name of the broker, investment banker or other party to or upon whose order the purchase price is to be paid and (ii) such Securities by the Custodian;

(2) to purchase Units in the Joint Account, such purchases to be made automatically absent specific contrary Proper Instructions; and

(3) upon Receipt of Proper Instructions from the Investment Administrator to transfer funds to the applicable Participant.

(c) The Custodian:

(1) shall, before making any such payment, receive Proper Instructions from the Investment Administrator requesting such payment and stating that it is for one or more of the purposes enumerated in the foregoing subsections (a) and (b), which instructions may be of a continuing nature and, in such case, may be relied upon by the Custodian for all similar purposes until revoked in writing by the Investment Administrator, provided that if the payment is for other proper purposes, the instructions shall be in writing and shall state that it is for a proper purpose; and

(2) notwithstanding anything to the contrary herein, may conclusively rely upon Proper Instructions and may presume that any payment made in accordance with such Proper Instructions is fully authorized and for a proper purpose.

5.6 Delivery of Securities. The Custodian is hereby authorized and directed to deliver Securities from time to time as follows:

(a) for the purpose of completing sales of Securities upon receipt of the net proceeds of sale and in accordance with Proper Instructions specifying the Securities sold and stating the amount to be received and the broker, investment banker or other party to or upon whose order the Securities are to be delivered;

(b) for the purpose of exchanging Securities for other Securities and/or cash (i) upon receipt of Proper Instructions stating the Securities to be delivered and the Securities and/or cash to be received in exchange and the manner in which the exchange is to be made, and (ii) against receipt of the other Securities and/or cash as specified in the Proper Instructions;

(c) for the purpose of exchanging or converting Securities pursuant to their terms or pursuant to any plan of conversion, consolidation, recapitalization, reorganization, readjustment or otherwise, (i) upon receipt of Proper Instructions authorizing such exchange or conversion and stating the manner in which such exchange or conversion is to be made, and (ii) against receipt of the Securities, certificates of deposit, interim receipts, and/or cash to be received as specified in the Proper Instructions;

(d) for the purpose of presenting Securities for payment which have matured or have been called for redemption, upon receipt of Proper Instructions; and

(e) for the purpose of delivery of Securities upon redemption of Units in kind, upon receipt of Proper Instructions.

5.7. Opening of Accounts. Upon Proper Instructions, the Custodian will open and maintain one or more Disbursement Accounts to facilitate the operation of the Program and from time to time shall pay funds on deposit in such accounts in accordance with Proper Instructions, which instructions may be of a continuing nature and, in such case, may be relied upon by the Custodian for all similar purposes until revoked in writing by the Investment Administrator.

5.8. Supplying of Information to Investment Administrator. The Custodian shall forward to the Investment Administrator proxies, proxy statements, annual reports, conversion notices, call notices, or other notices of written materials sent to the registered owners of securities and actually received by the Custodian (hereafter referred to as "notices and materials"), excluding only certificates representing Securities and dividend and interest payments. Responsibility for taking action thereon is solely that of the Investment Administrator, and not the responsibility of the Custodian. Upon actual receipt by the Custodian of warrants or rights issued in connection with the assets of the Joint Account or an Individual Portfolio, the Custodian shall enter on its ledgers appropriate notations indicating such receipt and shall forward notice thereof to the Investment Administrator, but shall have no obligation whatsoever to take any action of any kind with respect to such warrants or rights except upon receipt of Proper Instructions authorizing the exercise or sale of such warrants or rights.

5.9. Responsibility for Investments.

(a) The Custodian (except when winding up business in cooperation with the Investment Administrator upon the receipt from the Investment Administrator of notice of

resignation or termination referred to in Section 2.8 or as otherwise provided herein) assumes no responsibility for the management, investment or reinvestment of the Securities from time to time in the Joint Account or in an Individual Portfolio whether or not on deposit hereunder, it being understood that the responsibility for the proper and timely management, investment and reinvestment of said Securities shall be that of the Investment Administrator.

(b) In connection with its functions under this Agreement, the Custodian shall, in addition to any other duties set forth in the Agreement:

(1) obtain a "due bill" for dividends, interest or other distributions of the issuer, due the purchaser in connection with Securities delivered to the Custodian;

(2) render to the Investment Administrator a daily report of all monies received or paid on behalf of the Joint Account or Individual Portfolios, balances to the credit of the Joint Account and Individual Portfolios, and such listings of Securities held by the Custodian for the account of the Joint Account and the Individual Portfolios, as may from time to time be requested by the Investment Administrator;

(3) execute ownership and other certificates and affidavits for all Federal and State tax purposes in connection with the collection of bond and note coupons;

(4) present for payment on the date of payment all coupons and other periodic income items requiring presentation;

(5) monitor and record the collection of funds for the benefit of Participants as received; and

(6) keep accurate books and records regarding the assets held hereunder relating to its activities and obligations under this Agreement. All records maintained by the Custodian in connection with the performance of its duties under this Agreement will be available for inspection during Custodian's normal business hours and copying by any Participant at the Participant's expense.

(c) If the Custodian does not receive payment for items due under Section 5.6 and 5.9(b) within a reasonable time after it has made proper demands for the same, it shall promptly notify the Investment Administrator by telephone or other electronic means, followed by notice in writing, including copies of all demand letters, any written responses thereto, and memoranda of all oral responses thereto and to telephonic demands, and await Proper Instructions; the Custodian shall not be obliged to take legal action for collection except by its consent and unless and until reasonably indemnified to its satisfaction.

The Custodian shall not be liable for any taxes, assessments, or governmental charges which may be levied or assessed upon the Securities held by it hereunder, or upon the income therefrom or otherwise whatsoever. If determined by counsel to the Custodian that any such tax, assessment, or charge must be paid, the Custodian may pay it, reimburse itself out of the assets of

the Joint Account or the relevant Individual Portfolio, whichever is appropriate, and provide notice of the payment and reimbursement to the Investment Administrator and the Participants within thirty days of such action.

In the event that a Cash Management Agent has not been appointed by the Investment Administrator, then in the event that cash in the Joint Account or in an Individual Portfolio is disbursed for the purchase of Securities, upon the failure to receive said Securities the Custodian will credit the Joint Account or respective Individual Portfolio with earnings on said cash calculated at a rate equal to the effective Federal funds rate for the period of the failure, adjusted for such bank reserve requirements as the Custodian may have with respect to such cash for the period. In the event the available cash in the Joint Account or in the relevant Individual Portfolio is negative or otherwise insufficient to cover the amounts required for the purchase of Securities, the Custodian will advance the necessary cash and charge the Joint Account or Individual Portfolio, as applicable, at the effective Federal Funds rate for the applicable period.

5.10. Custodian Liability. No liability of any kind shall be attached to or incurred by the Custodian by reason of its custody of the funds, assets, or shares held by it from time to time under this Agreement, or otherwise by reason of its position as custodian hereunder, except only for its own negligence, bad faith, or willful misconduct in the performance of its duties as specifically set forth in this Agreement. The Custodian will not be liable under any provision of this Agreement, regardless of whether any claim is based on contract or tort, for any consequential, special or indirect damages or losses which the Joint Account or any Individual Portfolio may incur or suffer, whether or not Custodian knew in advance of the likelihood or possibility of these damages or losses. To the extent permitted by law, Custodian is hereby indemnified and held harmless against any and all claims, losses, liabilities, damages, or expenses (including reasonable attorneys' and other agents' fees and expenses) arising from or in connection with this Agreement or the performance of Custodian's duties hereunder, provided, however, that nothing herein shall require the indemnification of the Custodian for its negligence, bad faith or willful misconduct. Without limiting the generality of the foregoing, the Custodian:

(a) may rely upon the advice of counsel and upon statements of accountants, brokers and other Persons believed by it in good faith to be expert in the matters upon which they are consulted and shall not be liable for any action taken or suffered in good faith based upon such advice or statements;

(b) shall not be liable for anything done or suffered to be done in good faith in accordance with any request or advice of, or based upon Proper Instructions; and

(c) may rely and shall be protected in acting upon any signature, written or oral (including telephone, telecopier or other electronic) instructions, request, letter of transmittal, certificate, opinion of counsel, statement, instrument, report, notice, consent, order, or other paper or document believed by it to be genuine and to have been signed, forwarded or presented by the proper party or parties.

5.11. Custodian Compensation. Except as otherwise provided in this Agreement, any expenses, costs or fees of the Custodian in connection with the Program shall be paid solely by the Investment Administrator from the Daily Fee or the fee described in Section 2.9(b) as appropriate. If such expenses, costs or fees have not been paid within 30 days, the Custodian may, upon three days' prior written notice to the Investment Administrator, debit the Joint Account or the Individual Portfolio with respect to which fees have not been paid, as appropriate.

5.12. Appointment of Agents. The Custodian may, at any time or times appoint (and may at any time remove) any other bank, trust company or responsible commercial agent as its agent to carry out such of the provisions of this Agreement as the Custodian may from time to time direct, provided, however, that the appointment of such agent shall not relieve the Custodian of any of its responsibilities under this Agreement.

5.13. Termination and Resignation. The Participants holding at least two-thirds of the aggregate number of Units in the Joint Account and Portfolio Value (with each Dollar of Portfolio Value being equal to one Unit for the purposes of this calculation), may terminate the employment of the Custodian on not less than 60 days' notice to the Custodian. The Custodian may resign its position under this Agreement, on not less than 60 days' written notice. Such notice of termination or resignation shall also be given to all parties to this Agreement. The retiring Custodian shall cooperate with the successor Custodian by transferring to the successor Custodian effective on the date of such termination or resignation all assets of the Program, copies of records respecting the Program generally and such other information as the successor Custodian or the Investment Administrator may reasonably request.

5.14. Successors. In the event of termination or resignation of the Custodian, the Participants in the Program, by two-thirds weighted vote as described in Section 5.13, shall appoint a successor Custodian. In the event that the Participants fail to appoint a successor within the time provided, the Investment Administrator shall appoint an interim successor to any Custodian that is terminated or resigns in accordance with Section 5.13. The successor Custodian shall evidence its acceptance of the duties of the Custodian by executing a copy of this Agreement specifically acknowledging and accepting the duties and obligations hereunder.

5.15. Effect of Merger or Acquisition of or by Custodian. Any merger, acquisition, disposition or other similar transaction by or affecting the banking institution of which the Custodian is a part or any line of business of such Custodian, including service as Custodian for the Program, shall not be deemed to require the appointment of a successor Custodian pursuant to Section 5.14.

ARTICLE VI

Redemption of Units

6.1. Redemptions of Units. Outstanding Units of the Joint Account may be redeemed at the option of the Participants that are the holders thereof, on any Business Day by giving notice to the Investment Administrator in the manner described in the Program's then current Information Statement. The Investment Administrator shall cause the Program to redeem or repurchase from such Participant outstanding Units for an amount per Unit at the then net asset value as determined pursuant to Article VII hereof, and in accordance with the current Information Statement. The procedures for effecting redemption shall be as set forth in the current Information Statement.

6.2. Redemptions To Effect Constant Net Asset Value Formula. The Investment Administrator may also reduce the number of outstanding Units pursuant to the provisions of Section 7.3.

6.3. Suspension of Redemptions. Each Participant agrees that, without prior notice and notwithstanding the provisions of this Article VI, the right of redemption may be temporarily suspended or postponed for the whole or any part of any period (i) during which trading in securities generally on the New York Stock Exchange shall have been suspended or (ii) a general banking moratorium shall have been declared by federal or New Jersey State authorities or (iii) there shall have occurred any outbreak of hostilities, or other calamity or crisis or disruption of the financial markets, the effect of any of which on the financial markets of the United States is such as to make it impracticable to dispose of Securities because of the substantial losses which might be incurred or to determine the value of Securities. Each Participant shall be immediately notified by telephone, telecopier, electronic or any means deemed reliable by the Investment Administrator in the event that such a suspension or postponement is commenced.

ARTICLE VII

Determination of Net Asset Value, Net Income and Distributions

7.1. Net Asset Value. The net asset value of each outstanding Unit of the Joint Account shall be determined by the Investment Administrator at the close of business each Business Day in a manner determined by the Investment Administrator consistent with the manner provided for similar type money market funds in the 1940 Act and as described in the current Information Statement.

7.2. Distributions to Participants. Each Business Day the Investment Administrator shall determine the net income of the Joint Account, in a manner determined by the Investment Administrator consistent with the manner provided for similar type of money market funds in the 1940 Act and as described in the current Information Statement. The Investment Administrator shall cause the Program to distribute monthly the net income of the Joint Account ratably among the Participants of the Joint Account by issuing, after deduction of all amounts payable from the

Joint Account, additional Units or fractions of Units in the Joint Account in a manner consistent with the manner provided for similar type funds in the 1940 Act so that the net asset value of outstanding Units shall be maintained at \$1.00 per Unit.

7.3. Reduction of Outstanding Units. It is expected that the Joint Account will have a positive net income at the time of each determination. If for any reason such net income is a negative amount, the Investment Administrator shall have authority to reduce the number of the outstanding Units of the Joint Account. Such reduction will be effected by having each Participant proportionately contribute the necessary Units to the capital of the Joint Account. Each Participant will be deemed to have agreed to such contribution in these circumstances by its investment in the Joint Account.

ARTICLE VIII

Special Counsel; Auditor

8.1. Special Counsel. McManimon, Scotland & Baumann, L.L.C., Roseland, New Jersey is hereby appointed Special Counsel to the Program. In the event that Special Counsel resigns, the Participants, who are the holders of at least two-thirds of the aggregate number of Units and Portfolio Value invested in the Program (with each Dollar of Portfolio Value being equal to one Unit for the purposes of this calculation), may, at any time by 60 days' written notice to Special Counsel, the Investment Administrator, and the Custodian, replace Special Counsel and retain a firm or firms of attorneys with experience in the field of municipal securities and finance as a successor Special Counsel to provide advice and services in connection with the operation of the Program. Special Counsel shall serve as legal counsel in connection with such matters concerning the Program as shall be deemed necessary by the Investment Administrator or by the Custodian, including making modifications or revisions to the Investment Guidelines to conform them to any changes in applicable State law providing for restrictions or additions to authorized investments for Local Governments or to changes in the Regulations.

8.2. Auditor. An independent certified public accountant or a firm of such accountants (the "Auditor"), shall be retained to audit annually the operations of the Joint Account. Copies of such audit and the report thereon shall be provided to the Custodian, Special Counsel and the Investment Administrator. The Investment Administrator shall furnish a copy of such audit to each Participant and to each Local Government that at any time during the subject 12 months was a Participant in the Program. Ernst & Young LLP, Philadelphia, Pennsylvania, is hereby appointed as Auditor. The Investment Administrator may, from time to time, replace the Auditor with another firm of independent certified public accountants upon 30 days' Notice to the Auditor, Custodian and Participants, which notice shall identify the newly selected Auditor. The Auditor shall be compensated by the Investment Administrator from the Daily Fee.

ARTICLE IX

Amendment; Notice; Voting; Termination of Program

9.1. Amendment.

(a) The Participants, by the affirmative vote of the holders of at least two-thirds of the aggregate number of outstanding Units and Portfolio Value (with each Dollar of Portfolio Value being equal to one Unit for the purposes of this calculation), may amend this Agreement at any time. All of the Parties agree, however, that this Agreement shall be deemed amended if in the opinion of Special Counsel it is necessary to conform this Agreement to the requirements of applicable federal or State laws or regulations. No amendment to this Agreement shall take effect until 10 days after the giving of Notice to Participants as provided in Section 9.2.

(b) No amendment may be made, under Section 9.1 (a) above, which would change any rights with respect to any Units of the Joint Account by reducing the amount payable thereon upon liquidation of the Program. Nothing contained in this Agreement shall permit the amendment of this Agreement to impair the exemption from personal liability of the Participants, officers, employees and agents of the Program or to permit assessments upon Participants.

(c) No amendment to this Agreement that would expand or modify the duties and responsibilities, or otherwise materially affect, the Investment Administrator, Custodian, Special Counsel, or Auditor, shall become effective without the written consent of the affected Person.

(d) Amendments to the Investment Guidelines set forth In Exhibit A resulting from changes in applicable law that either restrict or add to the authorized investments for Local Governments shall not be an amendment for purposes of this Section 9.1 and shall not require compliance with the procedural requirements set forth herein to take effect.

9.2. Notices.

(a) All Notices required or permitted to be given under this Agreement shall be in writing and shall be given to the Parties to this Agreement at the last address on file with the Investment Administrator, by first class mail, telecopier, electronic or any other means deemed to be reliable by the Investment Administrator. Notice given by telecopier or electronic means shall be deemed effective when confirmed. Notice given by overnight courier for next day delivery shall be deemed effective at 12 Noon on such next day. Notice given by first class mail shall be deemed effective at 12 Noon on the third business day after its postmarked date.

(b) Any Notice to be given to the Parties other than Participants shall be sent to the following addresses:

To the Custodian:

U.S. Bank National Association
60 Livingston Avenue
St. Paul, MN 55107
Attention: Kathleen O'Connor

To the Investment Administrator:

PFM Asset Management LLC
One Keystone Plaza
Suite 300
Harrisburg, Pennsylvania 17101
Attention: Chief Operating Officer

And

PFM Asset Management LLC
821 Alexander Road
Suite 110
Princeton, New Jersey 08540
Attention: Chief Operating Officer

To Special Counsel:

McManimon, Scotland & Baumann, L.L.C.
75 Livingston Avenue,
Roseland, New Jersey 07068
Attention: Edward J. McManimon, III

To the Auditor:

Ernst & Young LLP
2005 Market Street, Suite 700
Philadelphia, Pennsylvania 19103
Attention: Michael D. Costigan

The address of any Party for receipt of Notices may be changed at any time by Notice to the other parties to this Agreement.

9.3. Procedure for Voting by Participants. Upon Notice given by the Investment Administrator to the Custodian requesting a meeting of the Participants to vote on specific resolutions submitted by the Investment Administrator, or upon the written request delivered to the Investment Administrator and the Custodian by the holders of at least 40 percent of the aggregate of the then outstanding Units and Portfolio Value (with one Dollar in Portfolio Value being equal to one Unit for the purposes of this calculation) specifying the resolution or

resolutions to be voted upon, the Custodian, shall set a Record Date for determining eligibility to participate in the vote and shall set the time, date and place of a meeting of Participants to take action on such resolution or resolutions. The Custodian shall prepare a list of the Participants eligible to vote, the number of Units and Portfolio Value held by each as of the Record Date, and shall give Notice to each eligible Participant of the taking of the vote (which shall be taken not earlier than 20 days after the date of the Notice of the Meeting) and provide proxy materials in written form, available in either paper or electronic format, for each Participant so that a Participant can register its vote through either paper or electronic ballot without attending the meeting. The Custodian shall be the exclusive judge of the results of the vote, and the reasonable fees of the Custodian shall be paid from the assets of the Joint Account. As soon as practicable after the determination of the results of the vote, the Custodian shall give Notice to all Participants (and the Investment Administrator and Special Counsel) of the results of the vote.

9.4. Termination.

(a) Automatic Termination. This Agreement and the Program shall terminate automatically in the event that

- (i) The amounts on deposit in the Joint Account shall have been less than \$100,000 for 90 consecutive Business Days; or
- (ii) PFM Asset Management LLC shall have resigned or been terminated as Investment Administrator of the Program, and the Participants shall not have selected a new Investment Administrator within 60 days after Notice of such resignation as provided in Section 2.8.

(b) Termination by Vote of Participants. This Agreement shall be terminated upon the affirmative vote of the holders of not less than two-thirds of the aggregate number of outstanding Units and Portfolio Value as of the Record Date (with one Dollar in Portfolio Value being equal to one Unit for the purposes of this calculation). Participants may withdraw from the Joint Account or an Individual Portfolio at any time.

(c) Termination Procedures. Upon the termination of the Program,

- (i) The Program shall carry on no business except for the purpose of winding up its affairs.
- (ii) The Investment Administrator, in cooperation with the Custodian, shall proceed to wind up the affairs of the Program, and all of the powers of the Investment Administrator under this Agreement shall continue until the affairs of the Program shall have been wound up, including the power to fulfill or discharge the contracts of the Program, collect its assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining assets of the Program, discharge or pay its liabilities, and do all other acts appropriate to liquidate its business.

- (iii) After paying or adequately providing for the payment of all liabilities, and upon receipt of such releases, indemnities and other agreements, as it deems necessary, the Investment Administrator, in cooperation with the Custodian, shall distribute all remaining assets of the Program, in cash or in kind or partly each, among the Participants according to their respective rights.

After termination of the Program and distribution to the Participants as herein provided, the Investment Administrator or the Custodian, as the case may be, shall execute and lodge among the records of the Program an instrument in writing setting forth the fact of such termination. Upon termination of the Program, the Investment Administrator and the Custodian shall thereupon be discharged from all further liabilities and duties hereunder, and the rights and interests of all Participants shall thereupon cease.

ARTICLE X

Miscellaneous

10.1. Filing. This Agreement and any amendment hereto shall be filed in the office of the Custodian and as required by law.

10.2. Governing Law. This Agreement is executed and delivered in the State and with reference to the laws thereof, and the rights of all parties and the validity and construction of every provision hereof shall be subject to and construed according to the laws of the State.

10.3. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be deemed to be an original, and such counterparts, together, shall constitute one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

10.4. Provisions in Conflict with Law or Regulations. The provisions of this Agreement are severable, and if the Investment Administrator shall determine, with the advice of Special Counsel, that any of such provisions is in conflict with controlling laws and regulations, the conflicting provision shall be disregarded; provided, however, that such determination shall not affect any of the remaining provisions of this Agreement or render invalid or improper any action taken or omitted prior to such determination.

10.5. Beneficiaries. This Agreement is made solely for the benefit of those Local Governments that are Parties and deemed parties hereto and, with the exception of the Investment Administrator, Custodian, Special Counsel, and Auditor, no other Person is entitled to any right or benefit under this Agreement.

10.6. Assignment. The Investment Administrator Custodian, Special Counsel or Auditor may not transfer or agree to assign its rights and duties under this Agreement without the prior written consent or affirmative vote at a meeting of the holders of at least a majority of the

aggregate number of the outstanding Units and Portfolio Value (which each Dollar of Portfolio Value being equal to one Unit for purposes of such calculation).

10.7. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto relating to the Program and supersedes all prior contracts or agreements whether oral or written.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the day and year first above written.

PFM ASSET MANAGEMENT LLC
as Investment Administrator

By: _____

President

U.S. BANK NATIONAL ASSOCIATION
as Custodian

By: _____

Vice President

EXHIBIT "A"

INVESTMENT GUIDELINES

The Program is designed to:

- * Preserve principal
- * Purchase investments, document investment transactions and account for all funds in a manner that is in accordance with the Regulations as well as State law and regulations.
- * Provide liquidity so that Participants have ready access to their funds to pay for the costs of capital projects.
- * Provide as high a level of current income as is consistent with preservation of principal and maintenance of liquidity.

There can be no assurance that the investment objectives of the Program will be achieved.

AUTHORIZED INVESTMENTS

Joint Account

The Investment Administrator will invest available cash in the Joint Account and the Individual Portfolios exclusively in investments which are, from time to time, legal investments for the proceeds of bonds and other funds on hand with Local Governments. Under current law legal investments of the Joint Account consist of U.S. Government securities that meet the definition of eligible securities pursuant to the U.S. Code of Federal Regulations (Title 17, Section 270.2a-7) and repurchase agreements that are collateralized by U.S. Government securities in which Local Governments may make direct investments. The Joint Account is intended to qualify as a "Local Government Investment Pool" within the definition of Section 15.1 of the Local Fiscal Affairs Law. The Program has adopted Investment Guidelines and Restrictions which incorporate the requirements of the Local Fiscal Affairs Law.

Individual Portfolios

Authorized Investments for Individual Portfolios consist of the following:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- (2) Government money market mutual funds.

- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor.
- (4) Agreements, not exceeding 30 days in duration, for the repurchase of fully collateralized securities permitted pursuant to paragraphs (1) and (3) (“Repurchase Agreements”).
- (5) Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment of the State Department of the Treasury for investment by Local Governments.
- (6) Bonds or other obligations of the Participants or bonds or other obligations of school districts within the jurisdiction of the Participant.
- (7) Certificates of Deposits in federally insured banks or savings and loan associations under procedures established by State law.

Repurchase Agreements. A repurchase agreement involves the sale of securities to the Joint Account or Individual Portfolio, and the concurrent agreement by the seller to repurchase the securities within a specified period of time at an agreed upon price, thereby establishing the yield which accrues during the holding period. The yield established for the repurchase agreement is determined by current short-term rates and may be more or less than the interest rate on the underlying securities. The Joint Account or Individual Portfolio will obtain actual title to and take possession either physically or constructively of the securities which are the subject of the repurchase agreement. It is the Program’s policy to enter into repurchase agreements only with dealers in United States Government securities which are recognized as “primary dealers” by the Federal Reserve System, or with commercial banks having assets in excess of \$1 billion. Securities purchased by the Program for the Joint Account or any Individual Portfolio, subject to repurchase agreements, are limited to the obligations of the United States Government and agencies of the United States described under “Authorized Investments” above, but may have maturities longer than one year. At the time a repurchase agreement is made, the underlying securities will always have a market value at least equal to their initial purchase price. If an agreement is in effect for more than one day, the Program’s Investment Administrator is responsible for monitoring the value of the underlying securities and, in the event their market value drops below the value of the initial purchase price plus the accrued yield, the counter-party is required to provide additional securities or money. All securities underlying repurchase agreements are required to be delivered to the Program’s Custodian or to such other custodians agreed to by the Custodian and the Investment Administrator. The Investment Administrator shall not take possession of or act as custodian for any assets of the Program but shall direct delivery thereof to the Custodian (or to such other custodian agreed to by the Custodian and the Investment Administrator). At the expiration of each repurchase agreement, which, in the case of an Individual Portfolio, may not exceed 30 days from the date of the repurchase agreement, the Custodian receives payment of the principal and interest earned under the agreement as a condition for the transfer of the underlying securities to the other party. If the other party fails to

pay the agreed upon repurchase price on the expiration date, the risks to the Joint Account Participants or to an Individual Portfolio Participant in such event may include any decline in the value of the underlying securities to an amount which is less than the repurchase price, any costs of disposing of such securities, and any loss from any delay in foreclosing on such securities.

Obligations of Agencies or Instrumentalities of the United States Government. Certain short-term obligations of agencies or instrumentalities of the United States Government purchased by the Program may only be backed by the issuing agency or instrumentality and may not be backed by the full faith and credit of the United States Government. For example, securities issued by the Federal Home Loan Bank Board are supported only by the credit of the agency or instrumentality that issues them, and not by the United States Government; and securities issued by the Federal Farm Credit System and Fannie Mae are supported by the agency's or instrumentality's right to borrow money from the United States Treasury under certain circumstances.

Certificates of Deposit. Certificates of Deposit may be acquired for the collective interests of consenting Participants to the extent permitted by the Local Fiscal Affairs Law and the individual Participant's Cash Management Plan in the discretion of the Investment Administrator.

Documentation of Fair Market Value. The Investment Administrator will follow certain procedures to document that investments in the Program which emanate from tax-exempt borrowing proceeds are purchased at a "fair market value" in accordance with requirements of the Code and related regulations and rulings. These procedures include obtaining three bids or offers for all securities transactions in the secondary market, documenting transaction prices using independent pricing services and following such other practices deemed necessary or advisable to ensure that applicable provisions of the Code and Regulations are complied with.

Investment Guidelines and Restrictions. The Program has adopted the following investment restrictions and guidelines (the "Investment Guidelines"). The Program will not:

- (1) Purchase any securities other than those described above under "Authorized Investments"; or
- (2) Invest in securities of any issuer in which an employee, agent or advisor of the Program is an officer or director; or
- (3) Make loans, except that the Joint Account and Individual Portfolios may enter into repurchase agreements as permitted by law; or
- (4) Borrow money or pledge, hypothecate or mortgage its assets.

In addition, the Joint Account:

- (a) will be managed in accordance with 17 C.F.R. §270.2a-7;
- (b) will be rated in the highest category by a nationally recognized statistical rating

organization;

(c) will be in compliance with rules adopted pursuant to the “Administrative Procedure Act,” P.L. 1968, c.410 (C.52:14B-1 et seq.) by the Local Finance Board of the Division of Local Government Services in the State Department of Community Affairs, which rules provide for disclosure and reporting requirements, and other provisions deemed necessary by the board to provide for the safety, liquidity and yield of the investments;

(d) will not invest in instruments that are subject to high price volatility with changing market conditions; cannot reasonably be expected, at the time of interest rate adjustment, to have a market value that approximates their cost, utilize an index that does not support a stable net asset value or invest in repurchase agreements which are not collateralized by investments in United States bonds or federal agency bonds as described above; and

(e) will purchase and redeem investments directly from the issuer, government money market fund, or the State of New Jersey Cash Management Fund, or through the use of a national or State bank located within the State, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L. 1967, c. 93 (C.49:3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserve for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

The Program’s Investment Guidelines may be changed only by amending the Agreement. The Investment Administrator and Custodian agree that the Agreement will be amended if it is deemed necessary to conform with changes in State statutes governing the investment of funds by Local Governments or changes in the Code or Regulations.